

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2120 - HB 2186**

March 17, 2009

**SUMMARY OF BILL:** Establishes the Tennessee Transportation State Infrastructure Bank (TTSIB). The bank would assist governmental entities in financing qualified projects for the construction and improvement of highway and transportation facilities necessary for public purposes, including economic development. The bill establishes a seven member Board to govern the Bank. Transfers existing funds from the Tennessee State Infrastructure Bank (TSIB) to the TTSIB.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$125,000**

**Increase Local Expenditures – Exceeds \$100,000/Permissive**

**Other Fiscal Impact – According to the Department of Transportation (TDOT), the TSIB has a balance of \$2,000,000 that would be transferred to the TTSIB. TDOT also indicates that approximately \$40,000,000 in federal funds and \$20,000,000 in state funds will be transferred to the account. This money currently resides in the Transportation Fund. Therefore, there is a shift of \$60,000,000 from the Transportation Fund to the TTSIB. Local government would receive the bulk of these funds in the form of loans. As a result, the state will experience an increase in revenue due to interest payments from these loans. Due to a variety of unknown factors, the precise amount of this increase cannot be quantified but can reasonably be estimated to exceed \$100,000. Such increase would be credited to the TTSIB.**

Assumptions:

- TDOT will require three additional positions to carry out the provisions of the bill. The recurring cost for salary and benefits for these positions is \$125,000.

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- Local governments will incur a permissive increase in expenditures associated with interest payments on any loans they obtain through the bank.
- According to the Treasury Department, there may be revenue from earnings which would otherwise be credited to the General Fund but under the provisions of this bill would be directed to the TTSIB. The magnitude of such shift cannot be quantified due to multiple unknown factors.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/cce